

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
June 24, 2004
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Betty Jean Awrey, Vice Chairwoman
 Robert Bender, Commissioner
 John Garside, Commissioner
 Linda Miller Atkinson, Commissioner
 Vincent J. Brennan, Commissioner

Also Present: Gloria J. Jeff, Director
 Kirk Steudle, Chief Deputy Director
 Frank E. Kelley, Commission Advisor
 Jerry Jones, Commission Auditor
 Patrick Isom, Assistant Attorney General
 Brenda O'Brien, Construction and Technology Support Area
 Myron Frierson, Bureau Director, Finance and Administration
 Ron DeCook, Director, Office of Governmental Affairs
 Larry Tibbits, Chief Operations Officer
 Polly Kent, Intermodal Policy
 Ben Kohrman, Director, Office of Communications
 Rob Abent, Bureau Director, Multi-Modal Transportation
 Jackie Shinn, Office of Economic Development Administrator
 Susan Mortel, Bureau Director, Transportation Planning

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I. COMMISSION BUSINESS

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of May 27, 2004.

Moved by Commissioner Garside, with support from Commissioner Awrey, to approve the minutes of the Commission meeting of May 27, 2004. MOTION CARRIED.

II. **DIRECTOR'S REPORT – DIRECTOR GLORIA J. JEFF**

Director Jeff gave a brief report regarding Federal Reauthorization, pending legislation

Federal Reauthorization:

The Conference Committee has been appointed, which includes four Representatives from the state of Michigan (John Conyers-14th; John Dingell-15th; Vernon Ehlers-3rd; Peter Hoekstra-2nd). The department has been in direct contact with all of their offices, via letter and additional Washington staff resources, to reiterate the issues of concern. On yesterday (June 23rd) as part of the Conference Committee activity, the members of the Senate side, which does not include any representation from Michigan, moved forward a formal recommendation for the House Conferees to deal with at the \$318 billion level for the six years. It is the expectation that both the House and Senate will approve another extension through the end of July. The extensions are of the 2003 funding level. It is an indication that they do not anticipate having the resolution of the matters before the Conference Committees completed before the end of this month; however, the Senate is taking the position of reiterating the need for the \$318 billion. The House is expected to respond right after the Fourth of July holiday recess.

Director Jeff asked if there were questions; none were forthcoming, therefore continued.

Pending Legislation:

For the 2005 department budget, the Senate has moved out of the Appropriations Committee into the full Senate, the bill that would eliminate sales tax earmarked for the Comprehensive Transportation Fund (CTF)—this represents about \$70-\$80 million in annual funding. (See minutes from 5/27/04 - SB 1103).

They have moved forward the bill that would have the Legislature vote up or down the Five Year Program. (See minutes from 5/27/04 - HB 5762, SB 1147).

They have also moved forward the bill that would make the final approval of projects the responsibility of the Legislature, which is currently the responsibility of the Transportation Commission. (See minutes from 5/27/04 - SB 1168).

The House has not yet responded, but the department is still working vigorously with members of the Legislature to be clear about the impacts of these decisions. In particular, the bill with respect to the Five Year Program and the probable impact it will have on three years of federal funding. Whether we get the \$318 billion or the \$254 billion that the President wants, in either case, those federal funds would be jeopardized with the action by the State Legislature.

Director Jeff mentioned that MDOT became one of a handful of states in the nation that have conducted context sensitive solution workshops that involve not only our own personnel, but involved the transportation community that would be impacted. Most other states have limited their training to their own staff.

Chairman Wahby asked if anyone had questions for Director Jeff; none were forthcoming.

III. **OVERSIGHT**

Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Mr. Frierson noted a change to this exhibit: Item 14 (contract between the department and Global Engine Asset Company, 2nd paragraph, 5th line)—replaced two-year moratorium with “three-year moratorium”. Mr. Frierson explained that the moratorium is a period of time that the department is allowing for the company to ramp-up production in order to start the forgiveness period on the loan

Mr. Frierson asked if any member of the Commission had questions on the contracts before them for their approval.

None were forthcoming.

Mr. Frierson asked for approval of Exhibit A.

Chairman Wahby entertained a motion. Motion was made by Commissioner Garside, supported by Commissioner Bender to approve Exhibit A. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief re-cap of the June bid letting activities. There were 21 state projects let valuing \$32 million. One of those projects was \$17 million (on US-12 between I-94 and Livernois). In terms of year-to-date comparisons, the department has let 333 projects so far this year, totaling \$536 million. This compares with 368 projects valued at \$553 million for this time last year. In terms of completion of planned activities, the department has let 79% of what they projected for this fiscal year. In comparison to this time last year, they had let about 82%.

Mr. Frierson further stated that 92% of the bids were submitted electronically.

Looking forward to the July letting, it is estimated that the department will have 80 projects. Mr. Frierson informed the audience that a revised sheet (dated 6/23/04—replaces 6/15/04) is available with the most recent letting statistics.

Mr. Frierson asked the Commission for approval of the bid items for the July 9th letting (82 projects valued at \$52 million) in Exhibit A-1.

Mr. Frierson asked for questions.

Commissioner Awrey asked Mr. Frierson to, in the future, highlight changes in materials so the members do not have to re-read the entire document in order to find revisions.

Mr. Frierson agreed to her request.

Chairman Wahby entertained a motion. Motion was made by Commissioner Awrey to approve the July 9th bid letting. Motion supported by Commissioner Brennan and carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek reported that there are four items being submitted for approval (3 local projects, 1 aeronautics project). One local project has a single bidder that came in slightly under the engineers' estimate. The second local project is more than 10% over the engineers' estimate (justification memo is attached). The third local project is a low bid rejection which requires approval by the Commission. The aeronautics project is over the engineers' estimate (justification memo is attached).

Mr. Polasek asked for questions.

Commissioner Awrey mentioned, under local projects on item #3, that it was interesting to finally find something below the engineers' estimate. Being that it was 19% below, it would be beneficial for the department to hone their engineer selection for landscape design.

No other questions were forthcoming.

Mr. Polasek asked the Commission for approval of Exhibit A-2.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender to approve Exhibit A-2. Motion supported by Commissioner Awrey and carried on a unanimous voice vote.

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson reported that these exhibit items are for information only. This item had a single bidder with the actual bid being below the engineers' estimate. There is no action required.

Chairman Wahby asked for questions; none were forthcoming.

Contract Adjustments (Exhibit B) – Brenda O'Brien

Ms. O'Brien, from the Construction and Technology division, filled in for John Friend this month. Ms. O'Brien reported that she is asking for approval of 7 projects which contain extras and overruns. The first three projects are MDOT jobs. Two of them have extras and one has an overrun. The following four projects are local agency projects. Two of them are in extra status and two are in overrun status. Ms. O'Brien noted that the contract modifications are attached.

Ms. O'Brien asked for questions; none were forthcoming.

Ms. O'Brien asked the Commission for approval of Exhibit B.

Chairman Wahby entertained a motion for the approval of Exhibit B. Motion was made by Commissioner Brennan and supported by Commissioner Awrey to approve Exhibit B. The motion carried on a unanimous voice vote.

IV. **PRESENTATIONS**

Asset Management Council Report – Kirk Steudle

Mr. Steudle stated that he was filling in for TAMC Chairman, Carmine Palombo, during his absence this month. Mr. Steudle reported that the council is finishing up their data collection training. This year they are involving more MDOT staff from the Region and TSC offices in the data collection. The training is for rating consistency so that the numbers at the end are all comparable across the state for the 43,000 miles. The training includes how to use the data collection software, where to put the information, what it looks like. This can be done while going down the road, proceeding without having to stop and review the procedures all the time. Training should be completed this week.

Mr. Steudle further stated that about mid July they will start the data collection and will continue into the Fall. This will be the second years' worth of data collection on the 43,000 miles of federal aid road system. There will be a total of three people in the car from MDOT, County Road Commissions, city, and the Planning Region.

Finally, Mr. Steudle stated that during the Commissions' July meeting the Council will present the TAMC proposed 2006 budget for Commission approval. Up to this point they have been relying on the projections they made up front as to what they would need. Now they are starting to get some actual expenditures to be able to compare with and make adjustment.

Mr. Steudle asked for questions.

Commissioner Garside wanted to know, comparing where the budget is and where they actually are, how close they are.

Mr. Steudle answered that they were under the budget. Last year they turned in a significant amount of money back to the MTF because they did not need all of it. Last years' budget was based upon a guess since no one had ever done it before. Therefore they used what was needed. The TAMC chose to not do research (pilot) projects last year. This year they will try to tie some of the pilot projects in for what they should be looking at for the future. Specifically, how do we rate 120,000 miles of all public roads. Mr. Steudle stated that he anticipates the budget being much closer this year because they have some other activities that they really did not concentrate on last year.

No other questions were forthcoming.

V. **PUBLIC COMMENTS**

Chairman Wahby asked if anyone wanted to address the Commission; none were forthcoming.

Chairman Wahby asked if any member of the Commission had comments; none were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 9:20 a.m.

Chairman Wahby also reminded everyone that the Commission would take a ten minute break then go into a Commission Workshop.

The next full meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on July 29, 2004, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor